

**SBA News and Views** is a monthly publication of the SBA Wisconsin District Office. Its purpose is to provide Wisconsin lenders and small business leaders with up-to-date information on SBA programs and small business issues. It is distributed at no cost, and the reprinting of articles is encouraged

## *Serving America's Small Businesses*

### U.S. Small Business Administration Wisconsin District Office

**Eric Ness, District Director  
February 2007**

#### **In this issue:**

**10 Reasons to Love Wisconsin  
Small Businesses.....page 1**

**More Support for  
Veterans.....pages 1 - 2**

**Proposed SBA '08  
Budget.....pages 2 - 3**

**Letter of Intent With  
India.....page 3**

**Importance of Small  
Startups.....page 4**

**Women Business Owners.....page 4**

**Editors Notes.....page 4**

**Link to SBA January Loans....page 4**

**Link to YTD SBA WI Loan....page 4**

**WWBIC Grand Opening.....page 5**

**SBA Home Page  
<http://www.sba.gov>**

**Wisconsin SBA Home Page  
<http://www.sba.gov/wi>**

**Editor: Jan Nienow  
[janice.nienow@sba.gov](mailto:janice.nienow@sba.gov)**

### **10 Reasons to Love Wisconsin Small Businesses**

#### *The Heart of the State's Economy*

Small businesses are the heart of Wisconsin's economy and the Office of Advocacy of the U. S. Small Business Administration is sending them this Valentine with the reasons to love them:

1. The latest figures show that small business creates 65 percent or more of America's net new jobs.
2. There are approximately 17,900 minority-owned businesses and 104,170 women-owned businesses in Wisconsin and almost all of them are small businesses.
3. Wisconsin saw an estimated 13,656 new small firms with employees' start-up in the last year measured.
4. Small businesses are 97% of America's exporters and produce 26% of all export value.
5. Home-based businesses account for 53% of all small businesses.
6. Small businesses employ 53.9% of Wisconsin's non-farm private sector workers.
7. The 435,900 small businesses in Wisconsin are located in every community and neighborhood.
8. Small patenting firms produce 13 to 14 times more patents per employee than large patenting firms.
9. Small businesses create more than 50% of the American non-farm private gross domestic product (GDP).
10. Small businesses make up 98% of all Wisconsin employers.

### **SBA Administrator Proposes More Support for Veterans**

***Agency Exceeds Three Percent Goal  
for Service-Disabled Veteran-  
Owned Small Business Contracting***  
Administrator Steven C. Preston of the U. S. Small Business Administration (SBA) issued the following statement:

"I am delighted that Sen. Kerry has chosen to focus on America's veterans in his first hearing as Chairman of the United States Senate Committee on Small Business and Entrepreneurship. The U.S. Small Business Administration, including our nearly 800 veteran employers, is also committed to serving those who are serving our nation. We have done a great deal to date, and we intend to do more.

"Under President Bush's Executive Order 13360, the SBA is responsible for helping other federal agencies meet the requirement to award 3% of their contracts to service-disabled veteran-owned small businesses (SDVOSB). This is an ambitious goal, as less than one percent of all small businesses are SDVOSBs. However, the SBA and the Department of Veterans Affairs are leading by example: both agencies exceeded the 3% goal in FY 2006. Government wide, substantial progress is also underway; from FY 2004 to FY 2005, the most recent years for which data is available for all federal agencies, federal contracting with SDVOSBs increased 58 percent to \$1.9 billion. Last month, the General Services Administration announced contract awards to more than 40 SDVOSBs,

with a potential value of \$5 billion over the life of the contracts.

“Early this month, the White House’s Office of Federal Procurement Policy and SBA sent a joint letter to the heads of other federal agencies, reaffirming our commitment to the 3% goal across government. To help achieve that goal, SBA has increased the staff of the Veterans Business Development office by 50% this year. If Congress acts on our request to address the \$21 million shortfall in our operating fund, we will dedicate more resources to this effort this year; if not, we will prepare to further ramp up our training and oversight next year.

“More than 14% of small businesses in America are owned by veterans. In 2001, to help small businesses that suffer when reservists and guardsmen are called to duty, SBA began offering the Military Reservist Economic Injury Disaster Loan program. However, this program only helps small businesses *after* the economic injury has occurred. SBA is now considering ways to provide improved counseling to reservists and members of the National Guard before they are mobilized, so that they do not suffer undue financial hardship when the call to active duty comes. I have ordered a review of the coordination among our contracting assistance, training, and other programs to ensure veterans’ small business needs are well served.

“I know that Sen. Kerry, Sen. Snowe and the other members of the Senate Committee on Small Business and Entrepreneurship also consider veteran’s needs a top priority. On behalf of the SBA, I look forward to working with the committee to continue to ensure that America’s veterans, who put themselves between us and harm’s way, are properly supported.”

The SBA and its Office of Veterans Business Development (OVBD) provide comprehensive assistance, outreach and support to veterans. Each

year, the SBA assists more than 100,000 veterans, service-disabled veterans and Reserve Component members.

- Some key programs/services SBA provides include:  
Special support through 68 Veterans Business Development Officers (VBDO) nationwide who help Veteran entrepreneurs access the full range of SBA programs and partners. For your nearest VBDO, visit: <http://www.sba.gov/VETS/refs.html>
- Funding for five Veterans Business Outreach Centers that provide outreach, training, counseling, mentoring and directed e-referrals to veterans owning or considering starting a small business. Visit: [www.sba.gov/VETS/vbop.html](http://www.sba.gov/VETS/vbop.html)
- Planning, e-counseling and lending assistance for self-employed Reserve and National Guard members facing activation or deployment. Visit: [www.sba.gov/reservists](http://www.sba.gov/reservists).
- Federal goal setting and guidance for veteran-owned and service-disabled veteran-owned small business seeking contracting opportunities in the federal marketplace.

For more information about the SBA’s veterans programs, visit <http://www.sba.gov/VETS/>.

### **Proposed SBA '08 Budget**

On February 5, 2007, President Bush announced a proposed FY 2008 budget for the U.S. Small Business Administration that increases financing capacity by 40% over business lending in FY 2006, reduces fees on loans, and provides increased funding and staff for SBA’s ongoing operation reforms.

The proposal sets overall spending for the year at \$814 million, including \$464 million in new budget authority,

\$329 million in carryover funds for disaster loans, and \$21 million in reimbursable revenues.

This represents a 5 percent increase over the total FY 2006 appropriations (excluding disaster and Congressional initiatives) and a 12 percent increase in core operation budget.

The budget will provide funding for more than \$1 billion in loans in the agency’s revamped disaster assistance program, which has undergone major changes since the 2005 hurricanes along the Gulf Coast. As a result of those changes, over 98 percent of the 160,000 approved disaster loan recipients have received all or some of their loans, or chosen not to borrow.

SBA Administrator Steven C. Preston has committed to similar reviews of SBA’s other programs.

“This proposal represents a solid budget for the SBA and for small businesses, said Preston. “In addition to improving our operations, we will be able to build on the loan volume records set in the past few years and provide more financing to more small businesses.

“Beyond that, this budget provides for initiatives to improve outreach to underserved, economically distressed urban and rural markets, and to veterans. It gives us more procurement center representatives to help small businesses compete for federal contracts. It gives us more people and resources to boost our impact on job creation, business ownership and economic vitality where they are most needed.

“We look forward to working with our oversight committees in Congress as the budget process moves forward to make sure the SBA continues to be America’s small business resource,” Preston said.

The budget would authorize a level of \$17.5 billion for the 7(a) Guaranteed

Loan program, \$7.5 billion for the Certified Development Company, or 504, loan program, and \$3 billion for venture capital support under the Small Business Investment company program. It calls for reducing fees in the 7(a) and 504 loan programs, allowing them to continue on the self-funding basis that has enabled them to produce record numbers of loans without interruption for more than two years.

The proposal also requests continuation of SBA's Microloan program on a zero-subsidy basis, allowing the agency to greatly expand its support to Microlenders across the country without seeking a new appropriation for the program. SBA would also discontinue technical assistance funding for Microlenders, and work with existing technical assistance providers, including the agency's Small Business Development Centers, SCORE counselors, and Women's Business Centers to arrange technical help for microloan clients.

On the technical assistance side, the budget requests more than \$87 million for Small Business Development Centers, almost \$12 million for grants to Women's Business Centers and nearly \$5 million for SCORE.

The budget requests \$329 million be made available for the FY 2008 disaster program from funds left over from special appropriations in FY 2006. The amount is sufficient to provide \$1.06 billion in disaster loans.

Other highlights of the proposed FY 2008 SBA budget include:

- \$743,000 for the Women's Business Council;
- \$743,000 for outreach to veterans, and \$500,000 in increased funding for the Office of Veterans Business Development;
- \$990,000 for the Drug Free Workplace Program;
- \$500,000 for initiatives to re-engineer business processes in the Office of Government

Contracting and Business Development;

- \$500,000 for enhanced training of agency staff;
- \$100,000 to increase the number of satellite SBA offices by seven;
- An increase in agency staffing of 86 people.

### ***SBA Signs Letter of Intent with India***

The U.S. Small Business Administration and India's Ministry of Small Scale Industry have signed a Letter of Intent to increase interagency cooperation and identify opportunities for strategic alliances between U.S. small businesses and Indian small and medium enterprises (SME). The agreement will further economic development and job creation in both countries.

Jawhar Sirca, Additional Secretary and Development Commissioner of SSI, and Manuel Rosales, SBA Associate Administrator for International Trade signed the Letter of Intent.

Rosale's trip to India comes on the heels of Undersecretary of Commerce for International Trade Franklin L. Lavin's business development mission to India, which had a strong SME component.

In remarks at the signing ceremony, Rosales praised the vitality of India's economy and highlighted the importance of trade and cooperation between both countries' small business communities as a tool for growth and jobs creation. "Small businesses are the backbone and driving force of our economies," Rosales said. "Working together, we will encourage and facilitate business relationships that will help them to become even stronger, thus furthering economic development and job creation in both our nations."

India is the fastest-growing free-market democracy and the U.S. is its

largest trade and investment partner, which presents U.S. companies with very lucrative opportunities.

According to the U.S. Department of Commerce, in 2005, U.S.-India trade reached an all-time high of \$26 billion, with about \$8 billion in U.S. exports.

The signing took place at the American Chamber of Commerce international summit in New Delhi, India. The theme of the event was "Emerging India-Opportunities for SME's," and it focused on the opportunities India offers for businesses globally because of structural changes in its economy and the sheer size of its market: more than one billion people.

The goals of the Letter of Intent include:

- Facilitating commercial partnerships between U. S. small and Indian small and medium businesses;
- Exchanging technical expertise and experience in small business development strategies; and
- Sharing information on programs and services provided to small businesses by both entities, including access to capital, technical assistance, research and development of technology and innovation, export assistance, programs for women and minorities and government contracting.

SSI and SBA also will work jointly to identify investment opportunities for U.S. businesses in India, promote strategic alliances and cooperation between small and medium businesses in both countries and, in the process, help create more jobs.

## New Available Data Confirm Importance of Small Startups

Small firm establishment births are the most important factor propelling growth in gross state product, state personal income and total state employment. These findings are contained in a study by the Office of Advocacy of the U.S. Small Business Administration.

"This study confirms the importance of small startups for the economic well-being of every state," said Office of Advocacy Chief Economist, Dr. Chad Moutray. "Now more than ever, state policymakers should be aware of how their decisions affect small business. Creating an environment that values entrepreneurship and risk-taking is sure to increase economic growth, personal income, and employment."

*Small Business and State Growth: An Econometric Investigation*, written by Donald Bruce, John Deskins, Brian Hill, and Jonathan Rork with funding from the Office of Advocacy, uses newly available U.S. Census Bureau data to analyze the impact of small firm establishment births and closures on state economies. The data became available through a program partially funded by the Office of Advocacy.

The study used data covering the years 1988 to 2002 and examined a wide variety of factors influencing state economic growth. After controlling for many determinants of growth, the authors conclude that in order to increase gross state product, state personal income and total state employment, "the most fruitful policy option available to state governments is to establish and maintain a fertile environment for new establishment formations."

For more information and a complete copy of the report, visit the Office of Advocacy website at [www.sba.gov/advo](http://www.sba.gov/advo).

## Wanted! Women Business Owners Who Wish to Grow Their Business

Wisconsin women owned businesses (WOB) have a unique opportunity to become one of eight WOB to receive an awards package of mentoring and products. The WOB must be interested in growing their business to the million-dollar level. Applications for this program can be found at [www.makemineamillion.org](http://www.makemineamillion.org). Further information is available by calling WWBIC/Julann Jatzak at (414) 263-5450.

## Editor's Notes

### ENTRY ERRORS ON LOAN APPLICATIONS

In the last few months, we have come across some entry errors when lenders are submitting loans online. The following are the SBA codes that should be used:

#### Women Codes

- 1=Less than 50% woman owned
- 2=More than 50% woman owned
- 3=50% Woman owned

#### Ethnic Codes

- 0=African American
- 1=Puerto Rican
- 2=Native American
- 3=Hispanic
- 4=Asian
- 5=Eskimo/Aleut
- 7=Caucasian
- 8=Multi-National

#### Organizational Codes

- 1=Proprietorship
- 2=Partnership
- 3=Corporation

#### Urban/Rural Codes

- 1=Urban location of the business
- 2=Rural location of the business

#### Veteran Codes

- 1=Non Veterans
- 2=Veterans
- 3=Service Disabled Veterans

We appreciate your help in this matter. Should you or your staff have any questions on codes please contact Betsy Jorgensen at (608) 441-5263 or email her at [betsy.jorgensen@sba.gov](mailto:betsy.jorgensen@sba.gov)

### TRAINING CALENDAR

Be sure to visit

<http://web.sba.gov/calendar/public/index.cfm?op=group&grp=73> for business-training opportunities offered by SBA, SCORE, Small Business Development Centers, Women Business Centers, Procurement Assistance Centers and the Wisconsin Procurement Institute.

This site will become your first stop when looking for training sessions, conferences, and seminars at the federal level but will also include state, local and private activities when they pertain to small business improvement.

## SBA January 2007 Loans & YTD

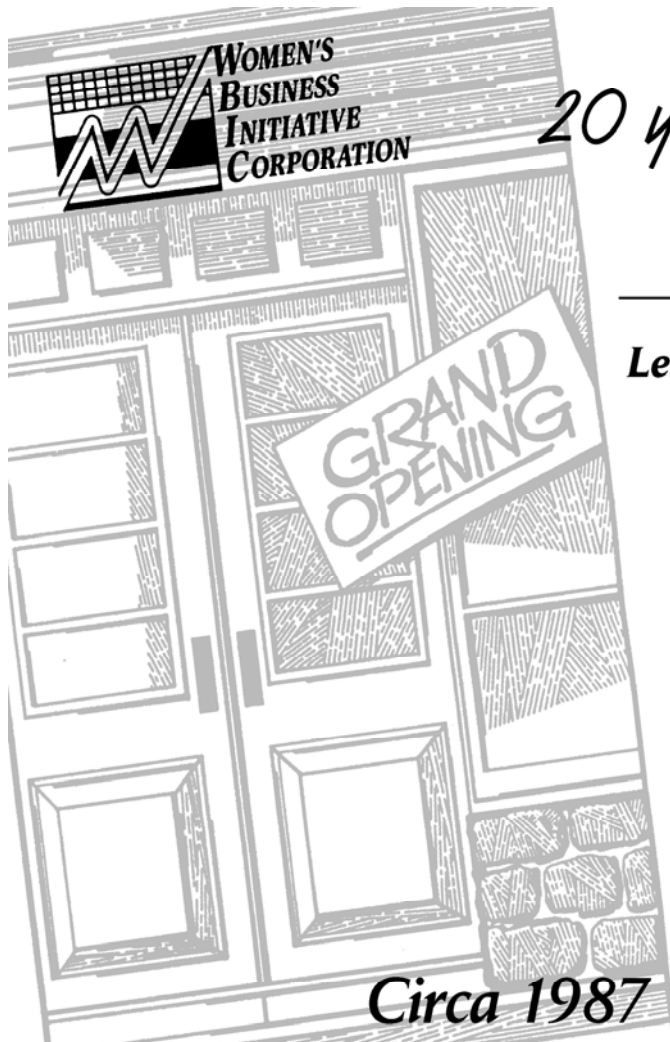
### January 2007 Wisconsin SBA Loans:

[www.sba.gov/idc/groups/public/documents/wi\\_milwaukee/jan07loans.pdf](http://www.sba.gov/idc/groups/public/documents/wi_milwaukee/jan07loans.pdf)

### FY 2007 Wisconsin SBA Loans Year to Date:

[www.sba.gov/idc/groups/public/documents/wi\\_milwaukee/fy07ytd\\_lender\\_appr.pdf](http://www.sba.gov/idc/groups/public/documents/wi_milwaukee/fy07ytd_lender_appr.pdf)





*20 years later,*

*WWBIC opens 3<sup>rd</sup> office!*

**Let's Celebrate the Grand Opening of our  
NEW Southeast office in Kenosha!**

**Monday, February 26, 2007**

**Open House 12:30–2:30pm**

**1:45pm Celebratory Comments**

**Wendy K. Baumann, WWBIC President**

**Congressman Paul Ryan and other dignitaries**

**WWBIC's new office in the**

**Kenosha Area Chamber of Commerce**

**715 56<sup>th</sup> Street, Kenosha, Wisconsin**

**RSVP: Patricia Bobber (414) 263-5450 or**

**[patricia.bobber@wwbic.com](mailto:patricia.bobber@wwbic.com)**

**Contributing to the Bottom Line.**



In 2007, WWBIC celebrates 20 years of Opportunity, Entrepreneurship and Success.

***Come and Celebrate our new office!***